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## **Ko Yo Ecological Agrotech (Group) Limited**

**玖源生態農業科技(集團)有限公司**

*(incorporated in the Cayman Islands with limited liability)*

### **LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING AND PUBLIC OFFER**

<b>Number of Offer Shares</b>	<b>: 128,000,000 Shares</b>
<b>Number of Placing Shares</b>	<b>: 115,200,000 Shares comprising 94,000,000 new Shares and 21,200,000 Sale Shares</b>
<b>Number of Public Offer Shares</b>	<b>: 12,800,000 Shares</b>
<b>Offer Price</b>	<b>: HK\$0.40 per Share</b>
<b>Nominal value</b>	<b>: HK\$0.10 each</b>
<b>Stock code</b>	<b>: 8042</b>

**Sponsor**



**Guotai Junan Capital Limited**

**Lead Manager**



**Guotai Junan Securities (Hong Kong) Limited**

**Placing Underwriters**

**Guotai Junan Securities (Hong Kong) Limited**

**Barits Securities (Hong Kong) Limited**

**First Shanghai Securities Limited**

**Phoenix Capital Securities Limited**

**Sun Hung Kai International Limited**

**CM-CCS Securities Limited**

**Kingsway SW Securities Limited**

**SBI E2-Capital Securities Limited**

**VC CEF Capital Limited**

**Placing Agent  
Pereire Tod (Asia) Limited**

- Further to the allotment results announcement made by Ko Yo Ecological Agrotech (Group) Limited dated 8th July, 2003, the Company wishes to announce the distribution of the 115,200,000 Placing Shares (as detailed below).
- The 115,200,000 Placing Shares were approximately 1.6 times subscribed and were conditionally allotted or transferred (as the case may be) to 71 professional, institutional and individual investors.
- Save for 20,000,000 Placing Shares, representing approximately 17.36% of the total number of Placing Shares available under the Placing and approximately 4.76% of the issued share capital of the Company immediately after completion of the Share Offer, which has been allotted to China B-Shares Investment Company Limited, a discretionary fund which is owned as to approximately 27.6% and managed by Guotai Junan Investment (Hong Kong) Limited, a fellow subsidiary of the Sponsor, none of the Placing Underwriters has been allotted any Placing Shares for its own account under the Placing.
- Save as disclosed above, all placees are independent of and not connected with any of the Directors, chief executive, substantial shareholders or Initial Management Shareholders of the Company or any of their respective associates or any person or group of persons as stated in Rules 10.12(4) of the GEM Listing Rules.
- **Investors should be aware that there is a high concentration of Shares held by a small number of Shareholders, which may affect the liquidity of the Shares in the secondary market. Shareholders and potential investors are advised to exercise extreme caution in dealing in the Shares.**
- Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Thursday, 10th July, 2003.

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as in the prospectus of Ko Yo Ecological Agrotech (Group) Limited (the “Company”) dated 30th June, 2003 (the “Prospectus”).

## LEVEL OF INTERESTS

Indications of interests for a total of approximately 184,000,000 Placing Shares from professional, institutional and individual investors have been received by the Placing Underwriters, equivalent to approximately 1.6 times of the 115,200,000 Placing Shares initially available under the Placing. The 115,200,000 Placing Shares were conditionally allotted to 71 professional, institutional and individual investors.

Save for 20,000,000 Placing Shares, representing approximately 17.36% of the total number of Placing Shares available under the Placing and approximately 4.76% of the issued share capital of the Company immediately after completion of the Share Offer, which has been allotted to China B-Shares Investment Company Limited, a discretionary fund which is owned as to approximately 27.6% and managed by Guotai Junan Investment (Hong Kong) Limited, a fellow subsidiary of the Sponsor, none of the Placing Underwriters has been allotted any Placing Shares for its own account under the Placing.

Save as disclosed above, all placees are independent of and not connected with any of the Directors, chief executive, substantial shareholders or Initial Management Shareholders of the Company or any of their respective associates or any person or group of persons as stated in Rules 10.12(4) of the GEM Listing Rules.

## ALLOTMENT OF SHARES

Pursuant to the Placing, the 115,200,000 Placing Shares have been conditionally allotted or transferred (as the case may be) to a total of 71 placees, details of which are set out below:

	<b>Number of Placing Shares allotted/ transferred</b>	<b>Approximate percentage of the total Placing Shares</b>	<b>Approximate percentage of shareholding immediately after completion of the Share Offer</b>
Top placee	20,000,000	17.36%	4.76%
Top 5 placees	70,000,000	60.76%	16.67%
Top 10 placees	105,000,000	91.15%	25.00%
Top 25 placees	114,250,000	99.18%	27.20%

**Investors should be aware that there is a high concentration of Shares held by a small number of Shareholders, which may affect the liquidity of the Shares in the secondary market. Shareholders and potential investors are advised to exercise extreme caution in dealing in the Shares.**

The number of placees and their respective range of shareholding are as follows:

<b>Number of Placing Shares</b>	<b>Number of placees</b>
5,000 to 20,000	41
20,001 to 50,000	1
50,001 to 100,000	3
100,001 to 1,000,000	13
1,000,001 to 5,000,000	6
5,000,001 to 10,000,000	5
10,000,001 to 50,000,000	2
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	71
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Immediately after the completion of the Share Offer, the 71 placees and the 43 allottees (as disclosed in the Company's announcement dated 8th July, 2003) under the Public Offer will become public shareholders of the Company, accordingly, there will be more than 100 shareholders in the Company.

## **MINIMUM PUBLIC FLOAT REQUIREMENT**

Immediately after the completion of the Share Offer, approximately 30.48% of the Company's issued share capital will be held by the public (which has the meaning ascribed to it under the GEM Listing Rules). The Company has to ensure that at the time of the Share Offer and at all times thereafter, at least 25% of its entire issued share capital is held in the hands of the public as stipulated under the GEM Listing Rules.

## **DEPOSIT OF SHARE CERTIFICATES INTO CCASS**

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM as well as compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the day the dealings in the Shares on GEM commences, or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second trading day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

The share certificates issued in respect of the Placing Shares will be deposited into CCASS on or before 9th July, 2003 for credit to the respective CCASS participants' stocks accounts or investor participant stock accounts of the placees. If any events set forth under the paragraph headed "Grounds for termination" in the section headed "Underwriting" in the Prospectus occur at any time prior to 1:00 a.m. on the day on which dealings in the Shares on GEM commences, the Lead Manager (on behalf of the Underwriters) is entitled to terminate the obligations of the Underwriters under the Underwriting Agreement by notice in writing to the Company. Should this happen, an announcement of notice of the lapse of the Share Offer will be published by the Company on the GEM website on the next day following such termination.

## **COMMENCEMENT OF DEALINGS**

Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Thursday, 10th July, 2003.

By order of the board  
**Ko Yo Ecological Agrotech (Group) Limited**  
**Li Weiruo**  
*Chairman*

Hong Kong, 9th July, 2003

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading; there are no other matters the omission of which would make any statement in this announcement misleading; and all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will also appear on the "New Listing" page of the GEM Web-site at [www.hkgem.com](http://www.hkgem.com).*